

Michigan Department of Civil Service

REGULATION

Appointing Authority Letter Reference:	Effective Date: August 20, 2000	Index Reference:	Regulation Number: 5.01
Issuing Bureau: Human Resource Services	Rule Reference: Chapter 5 <u>Civil Service Commission Rules 5-1.2, 5-2.1, 5-3.1, 5-3.3, 5-3.4, 5-3.5</u>		Replaces: Compensation Procedure 1
Subject: GENERAL SALARY SCHEDULE ADMINISTRATION			

1. PURPOSE

A. This regulation establishes the standards and procedures for administration of the compensation schedules approved by the Civil Service Commission.

2. CIVIL SERVICE COMMISSION RULE REFERENCE

A. Rule 5-1.2 AMENDMENTS TO COMPENSATION PLAN

The civil service commission may amend the compensation plan at any time, consistent with article 11, section 5, of the constitution. The state personnel director may submit to the commission recommended amendments to the compensation rules at any time. The director shall also submit to the commission for its review (1) any proposed collective bargaining agreement or amendment agreed to by the state employer and an exclusive representative, (2) any recommendation of the impasse panel, and (3) any recommendation of the coordinated compensation panel.

B. Rule 5-2.1 Work Period

- (a) Standard work period. The standard biweekly work period for a full-time employee in the classified service is the equivalent of 80 hours of work.
- (b) Alternative work periods. The state personnel director may issue regulations that establish alternative work periods and measures of equivalent full-time service. The regulations may conform the compensation plan to the alternative periods and measures.

C. Rule 5-3.1 Compensation Schedules

The civil service commission shall approve compensation schedules that establish the rates of compensation for each class of positions in the classified service. The rates of

compensation authorized are for full-time employment. Payment for part-time service is proportionate to the time actually worked. If a new classification is added to the classification plan, the state personnel director shall initially establish the rates of compensation for the classification.

D. Rule 5-3.3 Individual Compensation

The appointing authority shall assign the individual level of compensation for each classified employee as provided in the compensation plan. The individual level of compensation must fall within the range of rates of compensation approved by the civil service commission for the employee's classification level. If the appointing authority implements an approved salary-range subdivision, the individual level of compensation of an employee subject to the subdivision must also fall within the approved departmental range of rates for the subdivision. Any exception must be approved by the state personnel director.

E. Rule 5-3.4 Operation of Compensation Schedules

An employee in the classified service cannot be paid less than the minimum nor more than the maximum authorized in the compensation plan, unless authorized by the state personnel director.

- (a) Initial appointment.** On initial appointment, an employee is paid the minimum salary step in the salary range unless the appointing authority chooses to pay a higher initial salary as authorized in the compensation plan.
- (b) Schedules with steps.** If the compensation plan creates steps in the pay range, an employee receives pay increases in the amounts and at the intervals provided for in the compensation schedule for the employee's classification level. A pay increase may be granted only if the employee has a current satisfactory service rating and otherwise qualifies for the increase.

 - (1) Effective date.** Any pay increase is effective at the beginning of the first pay period after the employee becomes eligible.
 - (2) Advancement.** An employee advances in pay by successive steps of the pay range for the employee's classification level, as provided in the compensation plan, unless a special increase is granted in accordance with the compensation plan.
 - (3) Reduction of pay.** An appointing authority may, for cause, reduce the pay of an employee receiving more than the minimum step for the classification level.
 - (4) General schedule revision.** If the compensation schedule is amended, an employee is paid at the salary step corresponding in length of service to the step

at which that employee was being paid in the previous salary range for the classification level.

- (e) **Salary rate for temporary projects.** Upon request of an appointing authority, the state personnel director may approve alternative or supplemental compensation that exceeds the scheduled maximum rate of pay for an employee assigned to a temporary project. The appointing authority must receive written authorization for the project pay from the department of civil service before the employee is assigned to the project.
- (f) **Red-circled pay treatment.** The state personnel director may authorize an employee's salary to be red-circled. An employee whose pay is red-circled continues to be paid at the employee's red-circled salary rate until the scheduled maximum salary of the employee's classification or classification level equals or exceeds the red-circled salary rate. An employee whose salary is red-circled is not eligible for any portion of a general wage adjustment that exceeds the maximum of the employee's classification or classification level.

F. Rule 5-3.5 Salary Rate Upon Change in Classification, Return from Layoff, or Reinstatement

An employee who moves from one classification to another and who returns from layoff or is reinstated after separation is paid in the new classification at the appropriate salary step in accordance with the compensation plan.

3. STANDARDS

- A. Full and Part-time Employees** — All annual, monthly and biweekly rates of pay authorized in the compensation plan are for full-time employment. Payment for part-time ~~service shall be for time in pay status~~employment is based on time in pay status.
- B. Schedule Establishment and Amendment** — The Commission has established a compensation schedule covering all positions in the classified service which consists of ~~a series of~~ salary ranges to which all ~~classes~~classification levels in the classified service are assigned.
 - 1. **Schedule Amendments** — The Commission ~~shall~~will amend the schedule as necessary. In the event of schedule amendment, ~~employees shall have their~~ compensation will be adjusted as follows:
 - a. **General Salary Schedule Adjustment** — An employee ~~shall~~remains at the same salary step in the adjusted range unless the Commission has authorized a different step.
 - (1) An employee at a red-circle rate ~~shall~~is not ~~be~~ eligible for general salary schedule adjustment unless ~~such~~the adjustment increases the

maximum of the employee's appropriate salary range to a rate equal to or higher than the red-circle rate at which time the rate in the appropriate range will replace the red circle rate.

- (2) An employee occupying a ~~restricted~~frozen position or classification ~~shall be~~is eligible for general increases.

- b. Salary Upon Appointment To a Newly Established Classification — When an employee is appointed to a newly established classification, salary ~~shall be~~is determined in accordance with ~~Standard VI~~Section F of this ~~procedure~~regulation.

- C. **Salary Range** — An employee ~~shall~~must not be paid less than the minimum nor more than the maximum of the salary range for the classification level to which assigned. The employee ~~shall be~~is paid only at the precise increments listed in the compensation schedule except as provided below.

1. Salary for Red-Circled Employee — An employee designated as red-circled may be paid a rate in excess of the maximum salary rate for the classification to which assigned in the position that is red-circled. When an employee moves to a different position, the employee may not retain the red-circled pay.
2. Salary Upon Special Project Basis — For employment on a project basis not involving continual employment and where application is made in advance of employment by the appointing authority, the state personnel director may establish an alternative hourly rate of pay or lump sum award that may exceed the scheduled maximum pay.

- D. **Movement Within the Salary Range** — An employee ~~shall~~progresses from one step to the next higher step within the salary range ~~based upon~~ satisfactory completion of the required number of hours in pay status, if the employee's current rating is satisfactory.

1. Effect of ~~Conditional or~~ Unsatisfactory Service Rating — An employee who has received an ~~an~~ conditional or unsatisfactory service rating, ~~shall~~does not have any time in pay status credited as hours ~~toward the next~~since the last step while the service rating is in effect. Upon return to satisfactory status, earning of hours ~~to the next~~since the last step ~~shall resume~~s from the number accrued when credit was stopped.

2. Teacher Salary Schedules

- a. ~~Employees~~An employee assigned to a 42 or 46 week teacher salary schedule ~~shall be~~is eligible for progression to the next higher salary step upon ~~satisfactory~~ completion of their annual work schedule, if the employee's current rating is satisfactory.
- b. When an employee in a teacher classification qualifies for a higher academic salary schedule by completing the scholastic requirements, the

employee ~~shall be~~ paid at the same step in the new schedule and ~~shall~~ retain ~~s~~ hours ~~to~~since the ~~next~~last step.

3. Accelerated Step Increases — The director may authorize advancing an employee whose current rating is satisfactory to a higher step in the salary range at an accelerated rate upon application by the appointing authority. An appointing authority may advance an employee without prior approval if any of the following apply:

- a. The employee has completed special assignments that have resulted in a major benefit to the employee's department or agency.
- b. The employee has performed outstanding service, for reasons that have been documented.
- c. An employee's pay rate has been determined in accordance with ~~Standard~~ Section F of this ~~procedure~~regulation, and an additional step is necessary to provide additional compensation in special circumstances which have been documented.

Note: Special step increases ~~shall be~~ normally ~~be~~ limited to the next higher step in the range. The appointing authority ~~shall~~must document all special step increases. The documentation ~~shall~~must include justification for the step increase and reasons for granting more than one step. The ~~form shall be filed in the employee's personnel record~~documentation must be retained for audit purposes, in accordance with the retention schedule.

4. Reduction of Pay — The appointing authority must receive prior approval from the director to reduce the salary of an employee. Requests must contain all pertinent information, including the amount of reduction and the justification for the proposed action. The employee's rate of pay ~~shall~~must not be reduced below the minimum rate for the classification level.

- E. Salary Upon New Hire (initial appointment) — ~~The~~Upon first appointment to a position, an employee is paid the minimum rate in the salary range ~~shall be the rate payable to an employee on first appointment to a position~~. The director may authorize a higher starting rate upon application by the appointing authority. An appointing authority may authorize a higher rate without prior approval if any of the following apply:

1. The position has been vacant for a long period of time and there is difficulty in recruiting for the particular position.
2. The prospective employee is currently employed outside the classified service, and a salary in excess of the minimum is necessary to attract.

3. The prospective employee has special experience and/or education. The background should be well beyond the minimum qualifications contained in the specification for classification of the position.
4. The prospective employee has been a state employee previously and has experience pertinent to the position.

Note: The personnel office must document the reason for an above minimum starting rate when one of the above conditions applies. The documentation ~~shall be maintained in the employee's personnel file~~ must be retained for audit purposes.

F. Salary Upon Personnel Action Other Than New Hire (~~Standard V~~Section E), Reduction in Force (~~Standard VII~~Section G), or Recall (~~Standard VIII~~Section H)

1. If the former and the new classification level share the same pay range, or if the former and new positions are in the same classification level and the employee is moving from an included position to an excluded position or vice versa, the employee ~~shall be~~ placed at the same step in the range. If the maximum rates are the same and the steps are different, the employee ~~shall be~~ placed at the closest rate without a decrease. The employee's hours ~~to since the last~~ step ~~shall be~~ retained.
2. If the maximum rate of the new classification level is higher than the maximum rate of the former classification level, the employee's rate of pay ~~shall be~~ the lowest step in the range for the new classification level which reflects a salary increase that is not less than the difference between the minimum and the first step in the range for the former classification level, if possible. The employee's hours ~~to since the last~~ step ~~shall be set at the maximum hours to the next step~~ are set to zero.

Note: When an employee is due a step increase on the same day as this standard is applied, the employee ~~shall~~ receives the step increase first, and that step ~~shall be~~ used to determine step placement in the new range.

3. If the maximum rate of the new classification level is less than the maximum rate of the former classification level, the employee's ~~rate of pay shall be~~ placed at the closest ~~rate~~ step in the new range that reflects no increase. The employee's hours ~~to since the last~~ step ~~shall be~~ retained.

G. Salary Upon Reduction in Force — When an employee is moved to a different position classification as the result of a Reduction in Force, the employee's ~~rate of pay in~~ is placed at the closest step in the new range ~~shall be the step closest to the former rate without reflecting an~~ that reflects no increase. The employee's hours ~~to since the last~~ step ~~shall be~~ retained.

- H. Salary Upon Recall** — When an employee is recalled, the rate of pay ~~shall be~~ determined based upon the rate and range at the time of displacement in conjunction with ~~Standard VI~~ Section F of this ~~procedure~~ regulation. The employee's hours ~~to~~ since the last step ~~shall be~~ are retained.
- I. Salary for Working Out of Class (WOC)** — An employee eligible for ~~working out of class~~ WOC compensation in accordance with Classification Regulation 4.4208 ~~shall be~~ compensated ~~as determined by~~ application of ~~Standard VI~~ Section F.2 of this ~~procedure~~ regulation if the range for the WOC classification is a step-in-grade salary range. If the employee is eligible for WOC compensation in a performance-pay classification, Regulation 5.07 applies.
1. When an employee is eligible for Working Out of Class compensation, ~~the payment procedure shall be by~~ payment is processed as a Gross Pay Adjustment (GPA).
 2. Holidays or leave time used ~~shall be~~ are not ~~be~~ paid at the ~~working out of class~~ WOC rate until after completion of the first ten work days of the assignment.
 3. The agency ~~shall~~ must retain adequate documentation to substantiate ~~working out of class~~ WOC compensation for audit purposes.
- J. Salary Upon Return from Leave of Absence** — When an employee returns from an approved leave of absence, the rate of pay and hours ~~to~~ since the last step ~~shall be~~ are determined as follows:
1. When an employee returns to a position in the same class ification level, the employee ~~shall~~ returns to the same step in the range as when the leave of absence began. The employee's hours ~~to~~ since the last step ~~shall be~~ are retained.
 2. If an employee returns to the same position, but the position has been reallocated to a higher level, the employee's rate of pay ~~shall be~~ determined in accordance with ~~Standard VI, paragraph B~~ Section F.2 of this regulation.
 - ~~3. When an employee's position is abolished while the employee is on a leave of absence, the employee's right to another position shall be determined in accordance with provisions of the Employment Preference Rule.~~
- K. Salary Upon Return from Military Leave of Absence** — When a veteran returns to the same position from an approved military leave of absence, and the veteran's last service rating prior to the leave of absence was satisfactory, the veteran's ~~rate of pay shall be determined as follows:~~ is placed at the step in the range which would have applied had there been no interruption of state service.
- ~~1. When the veteran returns to the same position, and the class is the same or the position has been reallocated to a higher level, the veteran shall be~~

~~placed at the salary step in the range which would have applied had there been no interruption of state service.~~

~~2.If the veteran's position is abolished while the veteran is on a military leave of absence, the employee shall be entitled to another position in accordance with provisions of the Employment Preference Rule.~~

L. Salary Upon Appointment as a State Transitional Professional — When an employee ~~elects to make~~s a career change from one professional classification to another or qualifies to make a career change from a non-professional classification to a professional classification, the employee may be appointed to a State Transitional Professional position in order to minimize or eliminate temporary salary reduction.

1. Upon appointment, the employee ~~shall maintain~~s the current rate of pay if it is less than the maximum of the State Transitional Professional pay range and less than the maximum of the classification level in which the employee will ultimately be classified. If the employee is paid more than the maximum of the State Transitional Professional range or more than the maximum of the classification level to which the employee will be moved, the employee ~~shall be~~s paid the lesser of these two rates.
2. Upon successful completion of the required transition period as a State Transitional Professional, the employee ~~shall be~~s eligible to be ~~reallocated~~reclassified to the new professional classification. ~~(See Regulation 4.20, Reallocation of State Transitional Professional Positions.)~~

M. Salary Upon Appointment as a Departmental Trainee — When an employee is appointed to a Departmental Trainee position the above standards pertaining to State Transitional Professional ~~shall be~~are applied within the rates established for the Departmental Trainee pay range.

(NOTE: Employees ~~reallocating~~being reclassified to a new professional classification from a State Transitional Professional or Departmental Trainee classification ~~shall be~~are placed at the closest rate of pay in the new pay range without a decrease.)

N. Salary Upon Appointment to Trainee Level Professional ClassesClassifications — The employee ~~shall be~~s normally ~~be~~is assigned to the minimum step of the salary range. The employee may be assigned to a step higher than the minimum in accordance with ~~Standard V, VI, VII, or VIII~~Section E, F, G, or H of this ~~procedureregulation~~regulation. Any step placement above the minimum step ~~shall~~must not exceed a pay rate that will enable the employee to receive a promotional increase (under ~~Standard VI, B~~Section F.2, of this ~~procedureregulation~~regulation) upon timely ~~reallocation~~reclassification to the intermediate level of the classification series; i.e., the trainee level rate may not exceed the maximum step of the intermediate level in the classification series.

O. Training Rate Upon Transfer Within Group 1 of the Classification Plan —

Training Rate is: (A) the employee's current rate or the maximum rate of the new classification series experienced level, whichever is less, when the current rate exceeds the new classpay range max (see A1. below); or (B) the closest step in the new range without a decrease, when the employee's current rate is less than the new classpay range max (see B2. below).

1. When the Training Rate exceeds the maximum rate for the new classification level — Upon appointment to the new classification series at the entry or intermediate level, when the employee's Training Rate exceeds the maximum rate of the new range, the employee's pay step ~~shall be~~ set at the employee's current rate, or the maximum rate of the new series experienced level, whichever is less (using the ~~TR special pay step code~~ "Training" pay schedule to enter a rate above the maximum ~~for the class~~).
2. When the Training Rate is less than the maximum rate for the new classification level — Upon appointment to the new classification series at the entry or intermediate level, when the employee's current rate is less than the maximum ~~rate~~ of the new range, the employee's pay step ~~shall be~~ set at the closest ~~pay~~ step in the new range without a decrease. The employee's hours ~~to since the last~~ step ~~shall be maintained~~ are retained. The employee ~~shall be~~ eligible to receive step increases.

P. Special Pay Application — An appointing authority may require an employee to work under special conditions not covered by specific provisions of these procedures regulations. Additional compensation for such applications may be authorized by the state personnel director upon application by the appointing authority.

Q. Special Work Schedule – Employees at the Michigan School for the Deaf and Blind who work on a school year basis are considered annual employees for purposes of service credits.

CONTACT

Questions regarding this regulation should be directed to the Department of Civil Service, P.O. Box 30002, 400 South Pine Street, Lansing, Michigan 48909, (517) 335-7862 or (517) 373-7618, or MDCS@state.mi.us.

NOTE: Regulations are issued by the State Personnel Director under authority granted in the State of Michigan Constitution and the Michigan Civil Service Commission Rules. Regulations that implement Commission Rules are subordinate to those Rules.